

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Department's Sixth Set of Information Requests

Request No. DTE 6-5 (Electric):

Refer to Exh. FGE-MHC-5 (Electric) at 3-4. Please provide the derivation of the amounts appearing on the labor and overhead lines.

Response:

Unitil Service Corp., "USC" records as its expenses either labor or non-labor costs. The labor costs consist of salaries and wages paid to USC employees. The overhead consists of those expenses, which are not considered labor costs. As described in detail in FGE-MHC-5 (Electric) page 3, the total 2001 labor and overhead expense for USC amounted to \$18,673,940.

Once these amounts are determined, they are then allocated to the Unitil affiliate companies in accordance with SEC allocation guidelines. Pursuant to the Department's directive from D.T.E. 98-51, a year-end audit of the 2001 service company costs charged to Fitchburg Gas & Electric, "FG&E" was performed. The result of this audit indicated that FG&E incurred 39.97% of the total service company expenses. As evidenced by FGE-MHC-5 (Electric) page 4, the amount allocated to FG&E for 2001 was \$7,464,049.

Person Responsible: Mark H. Collin